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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/066,174	01/29/2002	Douglas C. Fisher	01-111	2717
23843	7590	06/19/2006	EXAMINER	
FOOTHILL LAW GROUP, LLP 3333 BOWERS AVE., SUITE 130 SANTA CLARA, CA 95054			BADII, BEHRANG	
			ART UNIT	PAPER NUMBER
			3621	

DATE MAILED: 06/19/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)
	10/066,174	FISHER ET AL.
	Examiner Behrang Badii	Art Unit 3621

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1) Responsive to communication(s) filed on 20 March 2006.
 2a) This action is FINAL. 2b) This action is non-final.
 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4) Claim(s) 1-9 is/are pending in the application.
 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
 5) Claim(s) _____ is/are allowed.
 6) Claim(s) 1-9 is/are rejected.
 7) Claim(s) _____ is/are objected to.
 8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9) The specification is objected to by the Examiner.
 10) The drawing(s) filed on _____ is/are: a) accepted or b) objected to by the Examiner.
 Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
 Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
 a) All b) Some * c) None of:
 1. Certified copies of the priority documents have been received.
 2. Certified copies of the priority documents have been received in Application No. _____.
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) <input type="checkbox"/> Notice of References Cited (PTO-892)	4) <input type="checkbox"/> Interview Summary (PTO-413)
2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)	Paper No(s)/Mail Date. _____
3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date _____	5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)
	6) <input type="checkbox"/> Other: _____

Response to Arguments

Applicant's arguments filed on 3/20/06 have been fully considered but they are not persuasive. Barbara discloses an online payment systems, hence being pertinent to the applications claimed invention.

In response to applicant's argument that the references fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies (i.e., providing a cardholder with an improved means of payment over existing payment systems, "background of the prior art", "disclosure") are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

Barbara discloses a credit card (abstract, p4, 5, etc.), a credit card authorization scheme (p16, 21, 22, 52, 54, claims 29-31 and 59-64). Authorizing of a payment inherently includes authenticating the identity of the payer, since the payer has to provide information like a credit card account number, name, address, etc. This is well known in the art and inherent in payment procedures. Barbara discloses asking the customer some identifying questions within the authorization scheme (p62).

2112 [R-3] Requirements of Rejection Based on Inherency; Burden of Proof

The express, implicit, and inherent disclosures of a prior art reference may be relied upon in the rejection of claims under 35 U.S.C. 102 or 103. "The inherent teaching of a prior art reference, a question of fact, arises both in the

context of anticipation and obviousness." *In re Napier*, 55 F.3d 610, 613, 34 USPQ2d 1782, 1784 (Fed. Cir. 1995) (affirmed a 35 U.S.C. 103 rejection based in part on inherent disclosure in one of the references). See also *In re Grasselli*, 713 F.2d 731, 739, 218 USPQ 769, 775 (Fed. Cir. 1983).

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claim 1-9 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The claimed limitation of authenticating the payer and authorizing the proposed payment in a single integrated process conducted without the involvement of the merchant is indefinite. The term "single integrated process" is vague and indefinite. Applicant's limitation is vague in describing this process.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-9 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of:

- (1) whether the invention is within the technological arts; and
- (2) whether the invention produces a useful, concrete, and tangible result.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts.

In the present case, claims 1-9 only recite abstract ideas. The recited steps of merely having a payment method that involves a payee, payer and a third party does not apply, involve, use, or advance the technological arts since all of the recited steps can be performed by use of shelves in a library, pencil and paper. These steps only constitute an idea of a method of classifying documents in general and not particularly in the technological arts.

Claim Rejections - 35 USC § 102

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 1-9 are rejected under 35 U.S.C. 102(e) as being anticipated by Barbara et al.

As per claim 1, Barbara et al. discloses a method of making a payment from a payer to a merchant of the type where the payment involves the merchant accepting a proposed payment in the form of an account number having a

standard syntax from the payer at completion of a purchase, followed by the merchant requesting an authorization for the proposed payment from a financial institution, the improvement comprising the following act performed by a trusted third party service:

a) authenticating the payer and authorizing the proposed payment in a single integrated process conducted without the involvement of the merchant
(The payer is authorized/authenticated by a third party or financial institution that is separate from the merchant or receiver of the funds.) (abstract, fig1, p21, 16, 21, 22, 52, 54, 62, claims 29-31 and 59-64).

As per claim 2, Barbara et al. discloses the act of: a) allowing a persistent channel to be established between the trusted third party service and the payer prior to the payer completing the purchase, and wherein the act of authenticating the payer and authorizing the proposed payment in a single integrated process comprises the act of verifying that the persistent channel is available, and optionally contacting the payer over the persistent channel for additional authorization, if additional authorization is required by predetermined preferences (connection between a payer and a third party) (abstract, fig1, p21).

As per claim 3, Barbara et al. discloses the acts of: a) receiving a request from a Payment Processor for approval of the proposed payment pertaining to the account number, whereby the account number was submitted as the proposed payment for the purchase; and b) transmitting an instruction to the Payment Processor which depends on whether the transaction is verified or denied (p21, abstract, fig's. 1-4, p93).

As per claim 4, Barbara et al. discloses wherein the trusted third party service comprises a portal accessible on a network through which the persistent channel may be established using a network accessible device (network/internet) (abstract, fig1).

As per claim 5, Barbara et al. discloses wherein the trusted third party service further comprises a telephone connection through which the persistent channel may be established (p55).

As per claim 6, Barbara et al. discloses wherein the transaction is an e-commerce transaction on the network, and wherein the transaction takes place between the payer's network accessible device and the merchant's world wide web site on the network (abstract, fig1).

As per claim 7, Barbara et al. discloses wherein the purchase involves personal contact between the payer and the merchant ("off-line bricks and mortar merchant") (p21).

As per claim 8, Barbara et al. discloses wherein the Payment Processor is the issuer of a payment card account having the account number (p58, 61 & 93).

As per claim 9, Barbara et al. discloses wherein the trusted third party service comprises an instant message system and the persistent channel is established over the instant message system (email) (p55, 98 & 103).

Conclusion

THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

Art Unit: 3621

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Behrang Badii whose telephone number is 571-272-6879. The examiner can normally be reached on Monday-Friday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Trammell can be reached on 571-272-6712. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Any response to this action should be mailed to:

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or faxed to (571)273-8300

Hand delivered responses should be brought to

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401 Dulany Street
Alexandria, VA 22314

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Technology Center 3600 Customer Service Office whose telephone number is **(571) 272-3600**.

Behrang Badii
Patent Examiner
Art Unit 3621

BB

Behrang Badii, S.
PRIMARY EXAMINER